

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 1 — 0 0 4

2. STATE:

WYOMING

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
MAY 15, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.120, 42 CFR, SUBPART F 447.331 ET.SEQ.

7. FEDERAL BUDGET IMPACT:

a. FFY 00 \$ -0-
b. FFY 01 \$ 129,348

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19B, PAGES 1 AND 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

ATTACHMENT 4.19B, PAGES 1, 2 AND 3

10. SUBJECT OF AMENDMENT:

METHODS OF ESTABLISHING PAYMENT RATES FOR PRESCRIBED DRUGS

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

NO COMMENT

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

GARRY L. MCKEE, PH.D., M.P.H. IRIS OLESKE

14. TITLE:

DIRECTOR

STATE MEDICAID AGENT

15. DATE SUBMITTED:

16. RETURN TO:

IRIS OLESKE
STATE MEDICAID AGENT
WYOMING DEPARTMENT OF HEALTH
OFFICE OF MEDICAID
147 HATHAWAY BUILDING
CHEYENNE WY 82002**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

June 4, 2001

18. DATE APPROVED:

7-19-01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7-01-01

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Spencer K. Ericson

22. TITLE:

Acting Associate Regional Administrator

23. REMARKS:

POSTMARK: May 31, 2001

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: WYOMING

POLICY AND METHODS OF ESTABLISHING PAYMENT RATE FOR EACH TYPE OF CARE PROVIDED

12.a. PRESCRIBED DRUGS

Prescription drugs will be reimbursed on an established product cost plus a dispensing fee. The payment for individual prescriptions cannot exceed the amount billed. The amount billed must be the usual and customary charge to the private pay patient. The following methodology is used to establish Medicaid payment.

Reimbursement will be the lower of:

1. The Wyoming estimated acquisition cost (EAC) plus a reasonable dispensing fee or the providers usual and customary charge (billed charge) to the general public; or
2. The EAC plus the dispensing fee for the specific multiple source drugs identified in the federal list, not to exceed the "upper limit" price.

Wyoming EAC

The short term Wyoming Estimated Acquisition Cost (EAC) was established at a modified AWP. This estimate was established by using information provided by voluntary cost surveys of all in-state pharmacies which documented operations costs and usual and customary charges for the purpose of determining a reasonable profit. These findings resulted in a modified AWP and dispensing fee. This survey will be periodically updated to provide the agency with the best estimate of what price providers are generally paying for a drug.

Average Wholesale Price

The Average Wholesale Price (AWP) is determined for each drug through Wyoming's fiscal agent contract with First Data Bank, National Drug Data File. They provide weekly updates of drug prices for the Reference File. First Data Bank uses AWP from national wholesalers for determining AWP.

Federal "Upper Limit"

The federal upper limit is the maximum allowable ingredient cost reimbursement established by the Department of Health and Human Services, Health Care Financing Administration, for selected multiple-source drugs.

TN# 01-004

Supersedes

TN# ~~89-09~~ 91-09Approval Date 07/19/01Effective Date ~~May 15, 2001~~ 07/01/01

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: WYOMING

POLICY AND METHODS OF ESTABLISHING PAYMENT RATE FOR EACH TYPE OF CARE PROVIDED

12.a. PRESCRIBED DRUGS - con't.

Dispensing Fee

The Wyoming dispensing fee was developed through a survey of the cost of dispensing pharmaceutical prescriptions in the State of Wyoming. The Cost Survey Report prepared by Myers and Stauffer, Certified Public Accountants, documented operations costs and usual and customary charges for the purpose of determining a reasonable profit. The final dispensing fee was established through the Medicaid (Title XIX) Prescription Drug Program (implementation). A periodic review of the dispensing fee will be conducted to determine the adequacy of the fee.

The Wyoming dispensing fee for legend drugs is added to the ingredient cost and is paid separately for each prescription filled by an enrolled pharmacy.

The dispensing fee for over the counter (OTC) products was established at the lower of 89% of AWP plus dispensing fee or the provider's usual and customary charge to the public.

Physicians assigned a pharmacy provider number shall be reimbursed on the basis of the Wyoming Estimated Acquisition Cost (EAC) plus a dispensing fee of \$2.00 per prescription.

Providers of nursing home "unit dose" prescriptions are to bill the Medicaid Program no more than once a month per recipient and are allowed only one dispensing fee per prescription.

TN# 01-004

Supersedes

TN# ~~89-09~~ 95 005Approval Date 07/19/01Effective Date ~~May 15, 2001~~ 07/01/01